

# **Hydrogen in Texas**

#### What is Hydrogen?

Hydrogen is a fast-developing alternative, effective fuel source.

#### What is the Texas Hydrogen Production Policy Council?

The Texas Hydrogen Production Policy Council (Council) was established by House Bill 2847, passed by the Legislature in 2023. It is an 11-member Council led by the Chairman of the Railroad Commission of Texas. The Council aims to position Texas as a leader in the evolving hydrogen industry.

#### What is the Role of the Council?

The Council's task is to make recommendations to the Legislature on updates necessary for the oversight and regulation of production, pipeline transportation, and storage of hydrogen. The Council also monitors regional applications for hydrogen hubs authorized under the federal Infrastructure Investment and Jobs Act.

After more than a year of work, the Council has delivered a report to the Legislature highlighting the potential for Texas to solidify its role as a central player in the hydrogen industry, which is poised to undergo significant growth in the coming decades.

### **Report Findings**

#### **Existing Hydrogen Infrastructure**

Texas' existing hydrogen infrastructure and comprehensive regulatory framework have contributed to the state's current standing as a global leader in conventional hydrogen production and has placed it in a prime position to be a driving force as the hydrogen industry gains more prominence within the broader energy landscape.

#### Texas Hydrogen Production Policy Council

Chairman Christi Craddick (Chair) Railroad Commission of Texas

Richard Fenza Air Liquide

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Nigel Jenvey Baker Hughes

Keith Wall CenterPoint Energy

Ian Lindsay Chevron New Energies

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#### **Decades of Experience**

The report underscores how decades of expertise in hydrogen production have strengthened Texas' competitive advantage in the industry.

- Texas has an excellent track record of establishing and administering permitting processes for safe hydrogen operations that are consistent and efficient. In other parts of the U.S., a lack of permitting clarity and efficiency inhibits the development of hydrogen facilities and infrastructure.
- With more than 1,000 miles of existing hydrogen pipelines, which are subject to state and federal regulations, and multiple hydrogen storage facilities in the state, Texas boasts an exceptional track record on worker safety and environmental compliance.

#### **Report Recommendations**

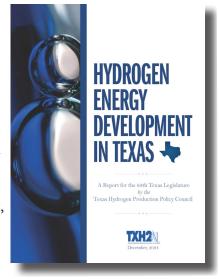
## Room for Enhancement or a Need for New Frameworks

While the report recommends that Texas leverage its existing regulatory structure to lead the charge on hydrogen policy, it also identifies areas for improvement and enhancement. Examples include:

- Establishing leak detection requirements specifically for hydrogen.
- Developing additional rules to address hydrogen infrastructure, such as pipeline and casing materials, distinct from infrastructure used for other products.

## Potential Economic Impact and Growth of the Hydrogen Industry

The report also focuses on the economic opportunity and the growth of the hydrogen industry. For Texas, industries including manufacturing and electricity generation could grow to support increased production of a low-cost, reliable hydrogen energy supply. The potential for significant job growth,



infrastructure development and direct investment will lead to an increase in the state's Gross Domestic Product.

#### The Future of Hydrogen in Texas

To meet the rising hydrogen demand, Texas must work to increase its overall hydrogen storage and capacity, which will enhance Texas' potential both as an end-user and as a global exporter of hydrogen.

A copy of the Council's report can be found at <u>TX</u> Hydrogen Production Policy Council Report.



#### **About the Railroad Commission:**

Our mission is to serve Texas by our stewardship of natural resources and the environment, our concern for personal and community safety, and our support of enhanced development and economic vitality for the benefit of Texans. The Commission has a long and proud history of service to both Texas and to the nation, including more than 100 years regulating the oil and gas industry. The Commission also has jurisdiction over alternative fuels safety, natural gas utilities, surface mining and intrastate pipelines. Established in 1891, the Railroad Commission of Texas is the oldest regulatory agency in the state. To learn more, please visit https://www.rrc.texas.gov/about-us/.